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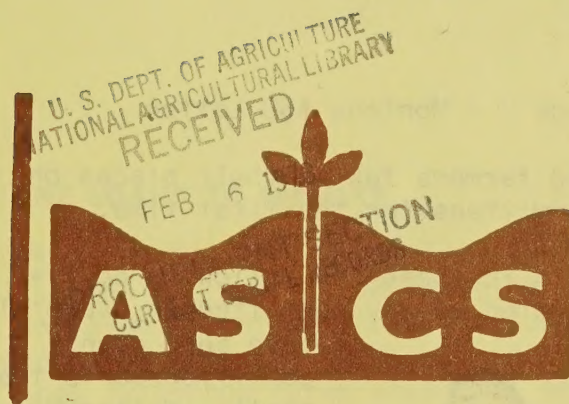
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# MONTANA LETTER



January 17, 1973

## KILLENBECK APPOINTED CHAIRMAN

Joel Antrim, who has served as chairman of our committee since October 1969, completed his service on the committee at the end of 1972 under the Department's policy for rotating State committee members. I am pleased and honored to have been appointed as Joel's successor by Secretary of Agriculture Earl L. Butz.

Harold Nelson, Cut Bank, will continue as a member of the committee this year and we expect that a third farmer member will be named shortly. Torlief Aasheim, director of the Montana Cooperative Extension Service



also continues as an ex-officio member of the committee.

We will certainly miss Joel and his dedication to making our programs res-

ponsive to the needs of agriculture. We wish him well and hope that we will hear from him from time to time.

Many of you know that I am, and have been for some 40 years, a Daniels County farmer. Over the years, I've diversified widely trying to keep up

with changing conditions and make farming profitable. I am now operating a unit of approximately 4,000 acres, largely cultivated cropland and mostly deeded land. My primary crops are small grains and oilseeds.

I have represented Daniels County in the Montana Senate and have been a member of the Montana State Fish and Game Commission. I have also been a member and president of the Cooperative Four Buttes Elevator Company in my neighborhood and served about 20 years on the Daniels County Fair Board, including ten years as chairman.

My service with ASC includes being a member of the State committee from 1958 to 1961. In October 1969 I was reappointed by Secretary of Agriculture Hardin and have served continuously since that time.

I look forward to my continued service with you in ASC and to the additional challenge that being chairman offers this year.

## COMMITTEEMEN TAKE OFFICE

This month we are welcoming into our ASC ranks many new committeemen chosen last fall. Newly-elected county committeemen will serve a three-year term, unless they are completing an unexpired term. Community committeemen are elected for one-year terms.

Many of you who will serve this year have served before, but there is also a considerable sprinkling of ranchers



and farmers taking their places on committees for the first time.

This includes the following newly-elected county committeemen (several



have been county committeemen in the past): Walter Miller, Jr., Big Horn County; Joseph Dunbar, Blaine; Andy Bruce, Broadwater; Archie Kinyon and Monte Steffan, Carbon; Lester Phillippi,

Carter; George Huffman, Cascade, Glenn Skaalure, Chouteau; Keith Corey, Custer; Jim Squires, Dawson; Frank Jones, Deer Lodge.

Raymond Allerdings, Fallon; Joe Hodik, Fergus; Ray Sanders, Flathead; Bill Wright, Gallatin; William Lehfelddt, Golden Valley; Cy Corlett, Granite.

Robert Watson, Judith Basin; George Eye, Lake; Fred Scherrer, Lewis & Clark; Larry J. Curtiss, Lincoln; James VanAtta, McCone; Charles Armstrong, Madison; James L. Higgins, Meagher.

Philip B. Donnally, Mineral; Philip Cyr, Missoula; R.H. Jorgenson, Musselshell; Robert Monroe, Pondera; Dennis Jurica, Powder River; Don Tamcke, Powell; Larry Jens, Prairie.

George Pfau, Ravalli; Robert Johnson, Richland; Don Naegeli, Sanders; Richard Huffman, Sheridan; Carter Bridges, Stillwater; Arthur M. Habel, Teton; Pete Nyquist, Valley; Paul Fochs, Wheatland; Reuben Amunrud, Wibaux; Clifford Korber, Yellowstone.

County committeemen reelected to another term are William Staudenmeyer, Beaverhead County; Ernest Lapke, Daniels; James Seewald and Fred Berkram, Glacier; Ned Schaff, Golden Valley; Arthur J. Reynolds, Hill; Gene Hanson, Jefferson; Stephen Brown, Liberty; William

Markman, Park; Leo Solf, Petroleum; Lloyd Knudsen, Phillips; Ralph Crisman, Roosevelt; Omer Erickson, Rosebud; William Peterson, Silver Bow; Kermit Anderson, Sweet Grass; Lloyd Dumas, Toole; Rich Howard, Treasure.

We welcome all of you county and community committeemen alike who have been chosen and will constitute the farmer-elected committee system in Montana this year. It is a unique system with roots deep in the concept and legislation that provides action farm programs. It is a system which has responded over the years to a great many changes and challenges. It has provided an effective link between Washington, and farmers and ranchers.

We hope you will find your year as a committeeman interesting and challenging. We will be sending you this Letter and other information from time to time during the year to help keep you informed of ASC in agriculture. Of course, you will continue to receive information from your county offices, too.



If you should have questions or need for additional information, we hope you will bring these to

our attention, either through your county office or by writing to me at the State office.

#### THOSE QUARTER CENTS ADD UP

I was interested, and I think you will be, too, in the amount of money that has been collected by CCC for the Wheat Research and Marketing Commission. As you know, CCC has voluntarily agreed



to collect the one quarter cent per bushel assessment levied on all wheat placed under CCC loan.

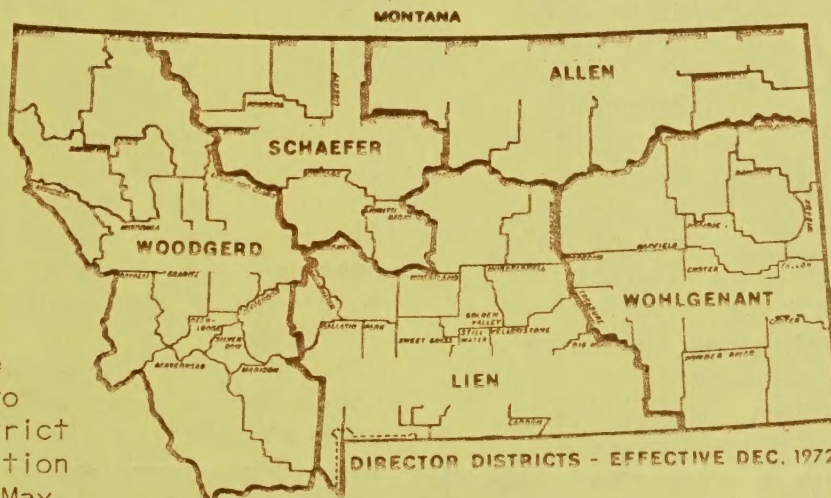
When loans are processed, the assessment is deducted from the proceeds due the producer. Deductions are accumulated in our Kansas City Data Processing Center and a monthly draft is sent to the Commission.

During fiscal year 1972, ending last June 30, 36.9 million bushels of wheat were placed under loan and \$93,257.50 was collected and transferred to the Commission to meet its expenses.

### DIRECTOR DISTRICTS CHANGED

Recent changes in programs we administer seem to indicate that our field responsibilities will be somewhat reduced, at least in the near term. In view of this, we have decided not to fill the district director position vacated when Max Maberry transferred to the State office.

The map shows the new district director areas. Although some are quite large geographically, we believe the workload will be fairly well-balanced. Directors may not be able to visit their offices as frequently as in the past, but we believe that by careful planning and use of memos and telephone, they will be able to maintain close liaison and effectively assist the county committees and offices in their areas.



### MORE LOANS TO MATURE

Further review of the supply-demand situation for grains has resulted in a decision to not extend price support loans when they mature May 31 on farm-stored 1971-crop durum wheat and oats, and 1972-crop wheat.

This decision, coupled with the earlier announcement that loans would not be extended on warehouse-stored grains and several other crop years of farm-stored grain, leaves only 1972-crop feed grains as possible resale crops.

USDA officials point out that feed grain usage around the world has been rising for several years, bringing about a continually stronger demand.

This year an unusual seige of bad weather hit almost every major feed grain producing area in western Europe, adding even more impetus to the need for feed grains.

Officials estimate that a record 54

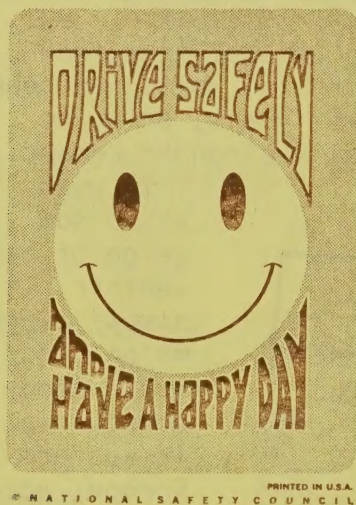
million tons of feed grains will be traded on the world market this year.

### SET-ASIDE CHANGES MADE

In another move to insure an adequate supply of agricultural commodities, set-aside requirements have been changed to eliminate the minimum set-aside under the wheat program and to permit grazing of set-aside acreage under both the feed grain and wheat programs.



This means that wheat growers who want to participate only at the minimum level will not need to set-aside any acreage from production. Those growers, however, who wish to participate in the additional set-aside and earn payment on an acreage up to 150% of their farm allotments, must first set-aside an acreage equal to 86% of the allotment to qualify. Participants in both the minimum and additional programs will be required to meet conserving base requirements.



Elimination of the required wheat set-aside is expected to free nearly 15 million acres for production of crops. Program payments will not be affected in any way.

In the past, grazing has been permitted on set-aside except during the five principal months of the growing season. This year, set-aside acreage may be grazed during the entire season with a reduction in payment.

This grazing privilege is expected to prevent or alleviate a shortage in the supply of livestock feed and contribute to meeting the increasing consumer demand for meat products.

Sign up to participate in the 1973 set-aside programs will begin February 5 and continue through March 16.

#### REAP, WATER BANK ENDED

On December 22, USDA announced that funding for cost-sharing activities under REAP and for further contracting

under the water bank program were being terminated as of that date.

This action followed a review of Federal programs to identify those of low priority that could be reduced or eliminated without serious economic consequences. "A higher priority was given in the review to those programs which generate farm income rather than to those which merely supplement income. Since REAP and water bank fall in the latter category, they were the most vulnerable of the ASCS programs," ASC Administrator Frick said.

"In addition, record farm income which is due in large part to your efforts in successfully administering ASCS programs is enabling farmers to bear without serious economic consequences more of the kind of expenses supplemented by REAP and water bank.

"Even so, this was no easy decision. One cannot eliminate a program that has benefited many for three or more decades without distress. However, the unbalanced budget requires drastic measures following a critical assessment of Federal programs as to direction and results."

REAP began as the agricultural conservation program in the 1930's to share with ranchers and farmers the costs of needed soil and water conserving practices. Evidences of the success of the program are seen at almost every hand in the farm ponds, shelterbelts, grass waterways, improved irrigation and drainage systems and other conservation measures which dot the countryside.

The water bank program was authorized by Congress in 1970. Contracts were offered for the first time in 1972.

Roy Killenbeck, Chairman  
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